2 February 1951

MEMORANDUM TO MR. JACKSON

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The attached memorandum prepared by Messrs. Reber, Smith and I believe, provides you with the background information, but I do not think it goes quite far enough.

State Department has always required one point of contact within CIA for the receipt and handling of State Department Cable traffic. This point of contact was originally ORE and more specifically Mr. R. Jack Smith. When Mr. Smith was transferred to ONE, he remained the point of contact for State Department.

When OCI is prepared to produce the Daily Summary, the point of contact will have to be transferred from ONE to OCI. Under these conditions it is felt that Mr. Barnes (State Department) will request a review of the whole cable situation, i.e. what cables we are to receive, what distribution they will receive and what type of cable will go in the summary. It is further felt that Mr. Barnes would make this request even if the new Daily Summary were produced by ONE. Such a review would be brought about not only because the point of contact was changing from ONE to OCI but also because a new type of Daily was contemplated. It is felt that the whole question of cables could best be determined once and for all through a discussion between you and Mr. Webb.

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PROBLEM OF CIA ACCESS TO STATE S/S CABLES

PROBLEM

To make arrangements for the handling of S/S cables by this Agency to insure availability to the Director, O/NE, and O/CI. DISCUSSION

- 1. The President made a request on the Agency to provide a Daily
 Summary of the most important cable traffic, both operational and intelligence.
- 2. To implement this, CIA established with the State Department a liaison between the Secretary's Secretariat (S/S) and the Current Intelligence Group of O/RE for the purpose of receiving State operational and ultra-sensitive cables under the sole control of S/S. Through this direct contact, cables were transmitted to CIA; their routing and publication by CIA were made contingent upon agreements reached on a day-by-day basis between the two points of contact. Thus, some of these sensitive cables were given an extremely close handling, others were routed to desk analysts, and others were made available for the CIA Daily Summary.
- 3. Efforts were made, without results, to secure comparable sensitive operational cable traffic from the military for exactly the same purposes (this problem is currently being worked on by General Smith with the JCS).
- 4. At the time of the CIA reorganization R. J. Smith was transferred to O/NE and he continued to be the point of receipt for the cable traffic, which by agreement with State (S/S) was then made available to all of O/NE.

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- 5. The decision has been made to change the character of the Daily Summary. It is intended to be an Intelligence Daily Summary from all sources rather than a summary of most important cable traffic.
- 6. It is not intended to include in the new Intelligence Daily Summary any of the cables which, by mutual agreement of the two points of contact, are too sensitive for publication. Therefore, in terms of the State Department's concern there is no intention on the part of CIA to include more than has been included from materials made available by S/S.
- 7. Making the cables available to O/CI can be met either by (a) change in the routing of the two copies already being received so that O/CI is included or (b) existing arrangements for the use of O/NE and the Director can be maintained with a third copy available for O/CI use. In either case there must be a single point of receipt and responsibility to the State Department for the handling of both or all three copies.

8. The issues:

- a. Is the State Department willing to allow O/CI in the preparation of its new Intelligence Daily Summary to utilize the S/S materials as background or for publication as is currently the case. (This is essentially a matter of meeting the "need-to-know" argument.)
- b. Is the State Department willing to continue making telegrams available for the Daily Summary unless CIA receives military operational cables of a comparable sort.

c. Would the dissemination list presently envisaged be considered too extensive by State and can satisfactory procedures be established for periodic inspection of this list.

PROPOSED AGREEMENT WITH STATE ON CABLE TRAFFIC

- 1. State undertakes to send CIA by direct channel, ultra sensitive cables, the handling and publication of which will be made contingent on day by day agreement between designated representatives of State and CIA. The CIA will apply the same security measures in handling these cables within CIA as are applicable in State.
- 2. CIA will consult with State regarding what external dissemination will be given to this publication.